



UN Women Executive Board Informal briefing on International Financial Institutions (IFIs) and Innovative Financing

25 January 2021

10:30am-11:30am

UN Women's Engagement with IFIs and Innovative Finance

Key Objectives

- **Build partnerships with IFIs and DFIs to influence their approach, financing and programming**
- **Integrate UN Women in Financing for Development discourse**
 - **Play an active role in growing SDG 5 financing**

UN Women's Role in Gender Financing Partnerships



Influencing Discourse & Capital Direction

- Roundtables of IFIs, Ministries of Finance and Gender, and Donors to influence financing for gender equality
- Contributing to collaborative dialogue on Financing for Development and the Financing in Common agenda to ensure Gender Equality targets are set and funded



Innovative Financing Instruments

- Sovereign Gender Bonds linked to Gender National Plans and COVID Recovery
- Structuring Support and Expertise
- Technical Assistance and Capacity building



Standard Setting

- Gender specific Bond Guidelines, Principles Standards, and Metrics
- Incorporated Gender throughout relevant Frameworks
- Validation, Second Party Opinion

PARTNERS



European Bank
for Reconstruction and Development

J.P.Morgan



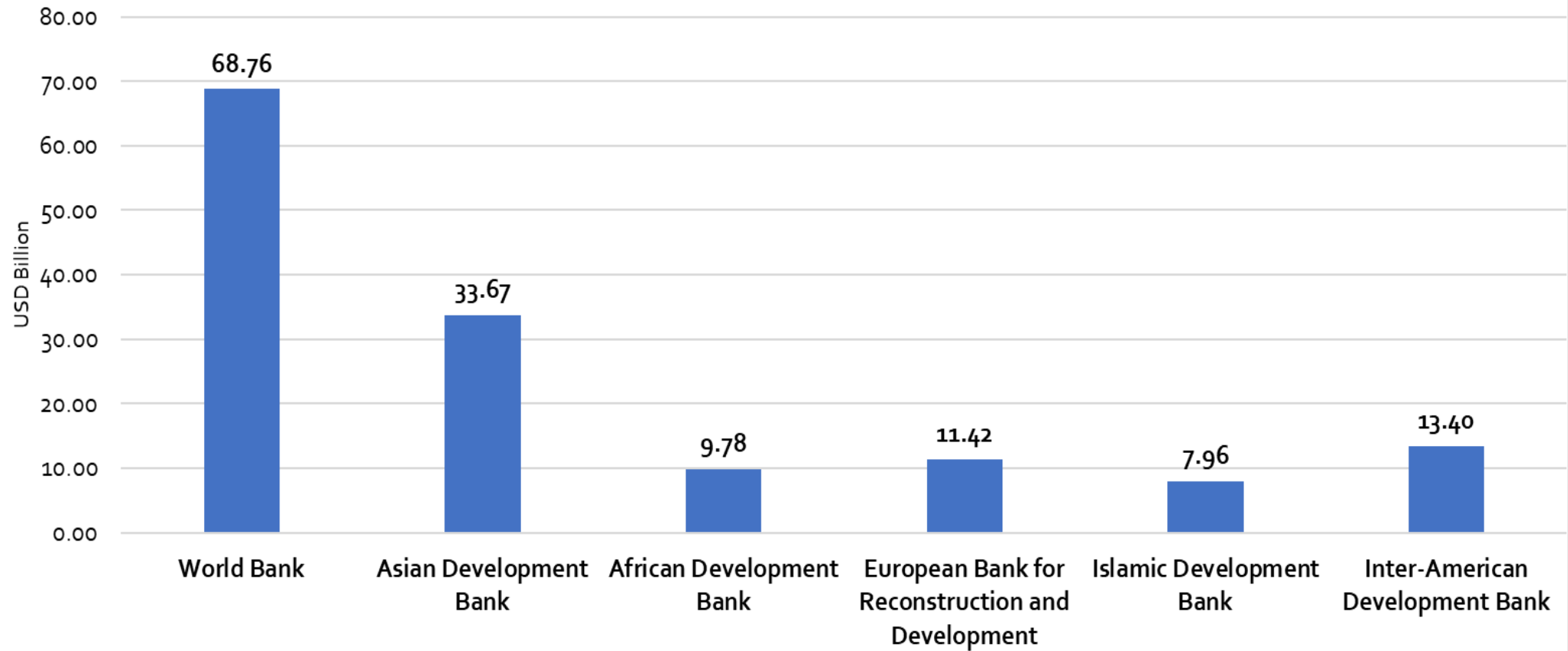
ICMA
International Capital Market Association

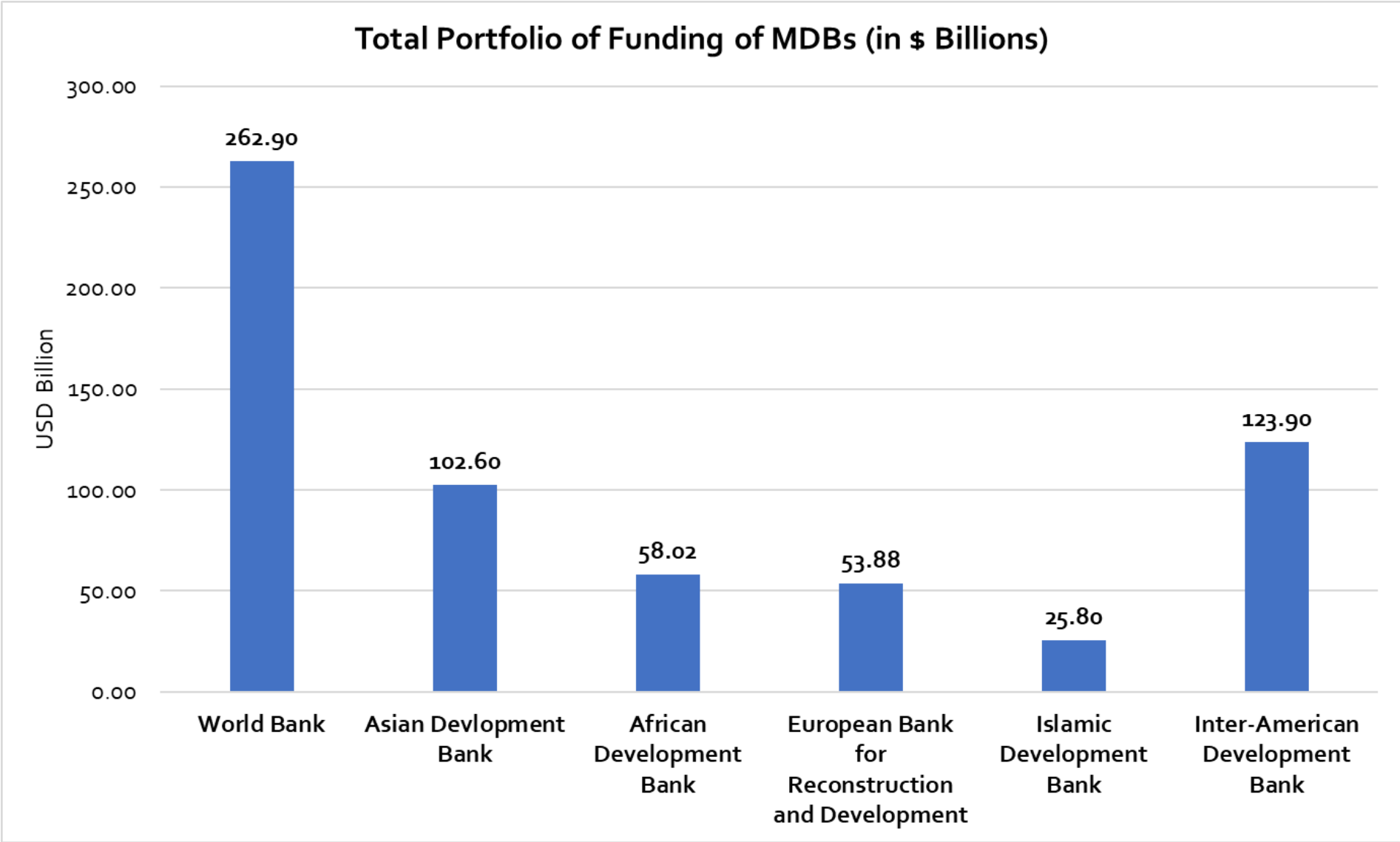


UNDP

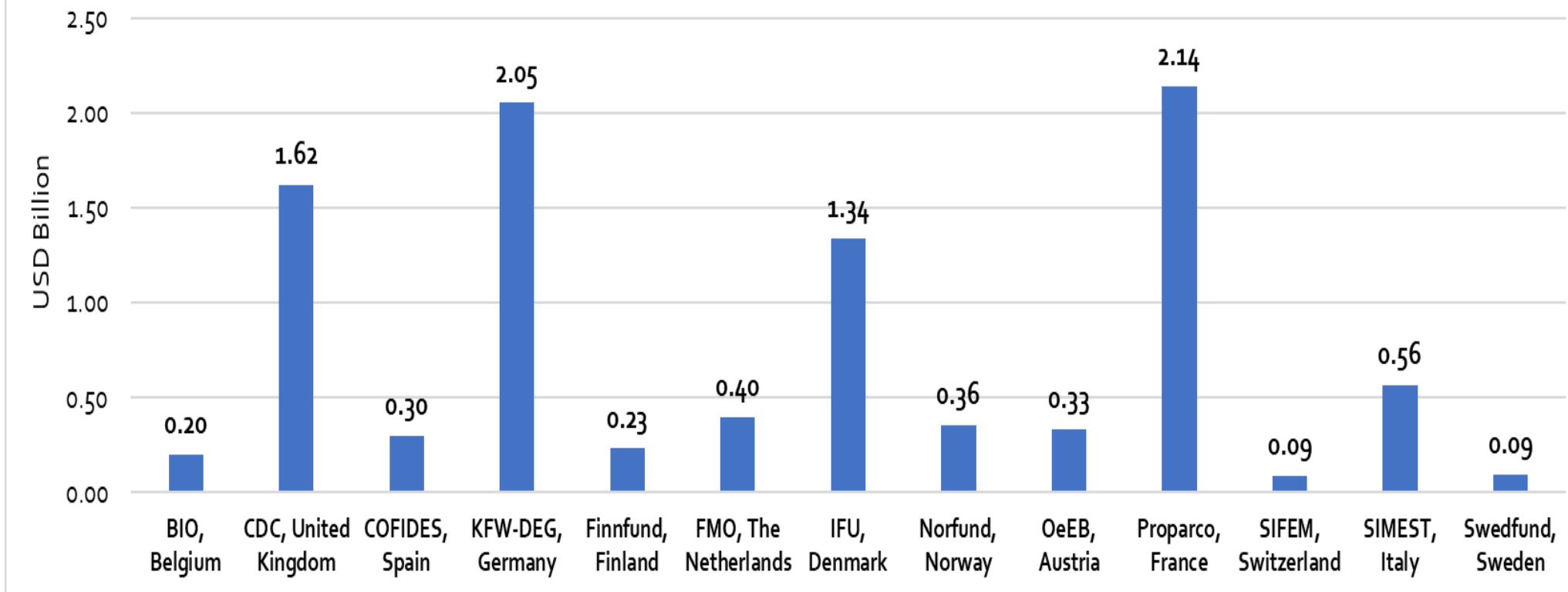


Average Annual Commitment of MDBs, 2017 to 2020 (\$ Billions)





Average Annual Commitment of European DFIs, 2017 to 2019 (in \$ Billions)



UN Women's Role in Gender Financing Partnerships

Influencing Discourse & Capital Direction



- UN Women contributed gender-focused best practices to the UN's Financing for Development initiative, culminating in policy options being presented to Ministers of Finance and Heads of State at UNGA.
- UN Women has invited IFIs to co-host Roundtables featuring Ministers of Finance and Gender from Developing and Donor Countries, to share best practices of putting women and girls at the heart of COVID Recovery, and to influence stimulus packages.
 - World Bank/IFC
 - Asian Development Bank
 - InterAmerican Development Bank
 - Government of Denmark
 - EBRD
- UN Women is signing MoUs with these MDBs to identify areas of alignment and joint programming.
- UN Women is co-hosting with the Development Agency of France (AFD) the Gender Secretariat supporting the implementation of Paris Development Banks Statement on GEWE ahead of the Generation Equality Forum; a chief outcome of the 2020 Finance in Common Summit.

Partnership with IFIs-Ongoing Engagement

ADB

- Joint Rapid Gender Assessments Surveys on COVID-19
- Joint Gender Responsive Budgeting training
- SDG reporting
- Data and statistics (e.g. EDGE project)

IDB

- Investors for Equality Initiative: Innovative Financing for Women
- Violence against Women surveys in the Caribbean

AfDB

- Joint programme to support GRP
- Africa's Women Development Index
- Women Count; regional coordination and trainings on gender data

EBRD

- National Action Plan on WEE in Georgia
- Increase WEPs signatories in Moldova and Kazakhstan
- Joint development of National Financial Inclusion and Women Entrepreneurship programs in Kyrgyzstan
- Climate related gender indicators

Global Engagement- IFIs

IMF

- COVID-19 peer exchanges and policy dialogues

World Bank Group

- Gender Data - Women Count; co-leading coordination of household surveys
- Gender & poverty research
- SDG Monitoring (e.g. ind. 5.1.1)

We-Fi

- Governing Committee Observer
- Funding recipient- GRP programme WCAR

Outcomes of IFI partnerships thus far

Concrete partnership opportunities with MDBs:

- Collection of sex-disaggregated data
- Gender responsive budgeting
- Gender responsive procurement
- Digitization of skills development
- Addressing the shadow pandemic of violence against women

Concrete implementation opportunities for driving impact

- Paris Development Banks' Statement on Gender Equality and Women's Empowerment
- Generation Equality-Action Coalitions
- Ministers of Finance Community of Practice
- UNW-UNDP Global Response Gender Tracker
- Survey Data Collection
- Joint Research
- ILO Applied Policy Tool

UN Women's Role in Gender Financing Partnerships

Innovative Financing Instruments



- Identify Countries with strong, committed Gender National Plans and ability to raise financing (Morocco, Egypt, South Africa, Colombia, Mexico, India, Jamaica)
- Promote gender as an integral part of the socio-economic recovery to the COVID crisis
- Provide Capacity Building by amplifying the voice of Gender Ministries and Champions by connecting them with Ministries of Finance and sources of budget
- Provide Structuring Support and Expertise by determining characteristics of the bond in alignment with national gender priorities
- Provide Technical Assistance by establishing eligibility criteria for project selection and evaluation, and identify target population, beneficiaries, performance measures and related budgets
- Develop a results framework that indicates comparability from baseline for expected results
- Establish a reporting mechanism furthering *accountability, transparency and integrity* of the Gender Bond Market
- Provide validations on the credibility of the Gender programs and indicators underpinning Gender Bonds

Innovative Financing Instruments: Size and Split of the SDG Bond Market

Size of the 2019 Green, Social and Sustainability Bond Market: \$ 321 bn.

\$120.4bn (37,5%) were aligned with the SDGs. Of this, only \$2.38bn (1.98%) is aligned with SDG5.

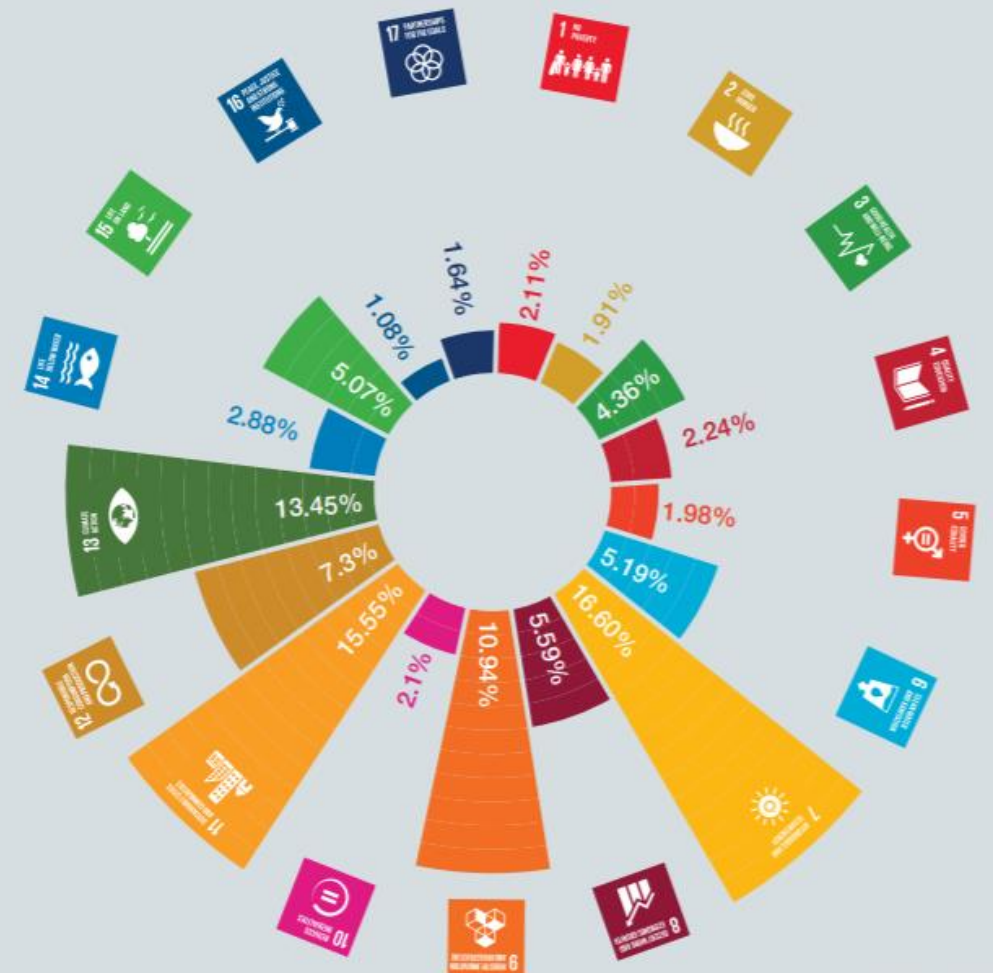
This means that only 0.743% of total Green, Social and Sustainability Bond Market aligned to SDG5.

UN Women to influence and grow financing for SDG 5

Sustainable Bonds Insight

Sustainable Development Goals across the three markets combined

The green, social and sustainability bonds aligned with the Sustainable Development Goals amounted to \$120.4 bn in 2019. 37.5% of green, social and sustainability issuances explicitly aligned with the Sustainable Development Goals in 2019, up 3.5% from the previous year. The three most covered SDGs are SDG 7 (Affordable and clean energy), SDG 11 (Sustainable cities and communities) and SDG 13 (Climate action)."



Methodology: Bonds that have been included in this infographic are those that have indicated that they contribute to one or more of the Sustainable Development Goals (SDGs) in their framework or external review. The figures represent the combined value of the bonds that align with each SDG. Several bonds have indicated that they align with more than one SDG.

<https://www.environmental-finance.com/assets/files/research/sustainable-bonds-insight-2020.pdf>

Why should UN Women champion Gender Bonds?

Gender bonds create critical mechanisms for *accountability and transparency*:

- Currently, Finance ministries' accountability for spending on gender is highly variable depending on institutional capacity, political will, existing monitoring mechanisms and ability to trace and audit expenditure.
- Sustainability linked bonds such as Gender Bonds improve accountability and transparency because performance is required to be monitored and reported and verified in accordance with the issuance terms.
- Gender Bonds reinforce incentives to achieve targets - Failure to meet performance indicators such as agreed outcomes or agreed expenditure on gender priorities will harm investor confidence, increase future thematic-linked cost of capital, and reduce a government's access to future thematic funding pools.

Gender Bond Frameworks, Standards and Guidelines are required to grow the gender bond market and ensure that financing for SDG5 tracks with the growth in climate and other social bond issuances. These tools are critical to make financing for gender equality easier.

UN Women's Role in Gender Financing Partnerships

Standard Setting



- The SDG and Sustainability Bond Markets develop under Bond Guidelines, Principles, Standards, and Metrics that are developed under cross-industry consensus building processes
- UN Women is partnering with UNDP to ensure the SDG Bond Framework offers a gender lens in each of the SDGs, and develops specific indicators for gender
- UN Women has joined ICMA, the International Capital Markets Association, to develop the Social Bond Principles for Gender Bonds
- UN Women is developing criteria for gender indicators, programs and budging to qualify for Gender Financing
- UN Women is considering offering validation or Second Party Opinions on the integrity of government processes for Gender budgeting

- UN Women partnered with FSDAfrica to develop a Feasibility Study for the Gender Bond Market in Africa



How UN Women's 2.0 Strategic Plan will address these partnerships

To anchor UN Women's role in Gender Financing in the next Strategic Plan, the organization is strengthening the following capacities:

- Partnerships within the **UN System and with other standard setting organizations** to expand the social bond and its principles to include Gender Bonds → encouraging the market to finance SDG5
- Partnerships with **Multilateral Development Banks (MDBs)** to align and amplify messages, programmes and best practices; to strengthen UNW relationships with Ministries of Finance and provide support MDB's in their own issuances of Gender Bonds
- Partnerships with **commercial investment banks** who support member state countries in sourcing funding for their economic and social requirements
- **Building skills and education** of UN Women staff to engage in gender financing discussions
- Collaborating with **standard setting bodies** like the International Capital Markets Association (ICMA) to provide frameworks for Gender Bonds.